



# City of Milwaukee

## Meeting Minutes

### MILWAUKEE HOUSING TRUST FUND TASK FORCE

**ALD. MICHAEL MURPHY, CHAIR**

**Ald. Michael McGee, Jr., Vice-Chair**

**Tom Capp, Sup. Marina Dimitrijevic, Heather Dummer Combs, Rocky Marcoux, Lucia Murtaugh, Tony Perez, Brian Peters, Leo Ries, Bethany Sanchez, Mike Soika, Robert Shelledy**

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**Monday, March 27, 2006**

**9:00 AM**

**Room 301-B, City Hall**

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*Meeting convened: 9:08 A.M.*

*Members present: Ald. Michael Murphy, Sup. Marina Dimitrijevic, Heather Dummer Combs, Rocky Marcoux, Lucia Murtaugh, Tony Perez, Brian Peters, Leo Ries, Bethany Sanchez, Mike Soika and Robert Shelledy*

*Members excused: Ald. Michael McGee and Tom Capp*

*Also present: Tom Gartner - City Attorney's Office, Mary Reavey - Assessor's Office and Craig Kammholz - Comptroller's Office, Sup. Willie Johnson, Jr.*

#### **1. Review and approval of the minutes of the February 27th meeting**

*Mr. Soika moved, seconded by Mr. Ries, for approval of the minutes of the February 27th meeting. There were no objections.*

#### **2. Report by the Chair of the Financing Models Subcommittee**

*Mr. Ries stated the the Subcommittee met once and some suggestions would require change in state law. The Legislative Reference Bureau handed out a copy of a memo by Jeff Osterman dated 3/24/06 (Exhibit 1). The memo detailed potential funding sources:*

*a) TIF-equivalent general revenue contributions - Tom Gartner from the City Attorney's Office said that retired TIF money going to a housing trust fund would need to be approved by the Common Council as part of its budget process and the other taxing bodies would need to do the same. Mr. Kammholz will review this possibility and report back to the Task Force.*

*b) Set aside a portion of the City's annual bonding for the purpose of funding the Housing Trust Fund - Mr. Gartner said that general obligation bonds could be issued by the City or the Redevelopment Authority to generate trust fund revenue. The City had previously used bonding to offer lower-interest rates for housing when conventional mortgage rates were very high. The question is how these bonds will be repaid, whether from revenues generated by the program or through property-tax revenue.*

*c) Some kind of development fee or "linkage" fee - Mr. Ries feels that the use of linkage fees puts development in the city at a disadvantage. Ms. Dummer Combs said that linkage fees are used by a number of cities throughout the country with variations in how*

*these fees are assessed. Mr. Gartner noted that linkage fees solely for condos would violate s. 703.27(2), Wis. Stats. Ms. Dummer Combs will look at what other cities have done and forward that information on to Mr. Gartner.*

*d) The City's share of the real estate transfer fee - The City will not be pursuing a change in the real estate transfer fee. Mary Reavey, City Assessor, noted that Milwaukee County annually gets \$2 million from this fee. The state gets 80% of the fee and the county 20% based upon historical uses of the fee. Ms. Reavey felt that any changes to which entity gets what percentage would be a political fight. Ms. Reavey will do a benchmark of what the state is currently receiving, with a possibility of using any increase above the current level to be used for a housing trust fund. Mr. Soika noted that a couple of groups within the state are looking at keeping up to 5% of the state's share to be kept locally and matched at the local level for a housing trust fund. Ms. Reavey also noted another possibility would be to increase the transfer fee. Ms. Cook from Intergovernmental Relations will be invited to attend the next meeting to discuss the political possibility of changing these amounts.*

*e) A fee on downtown parking spaces - more detail would be needed to see if there were any legal ramifications.*

*f) The addition of a \$1 surcharge to the price of any entertainment event ticket costing \$30 or more - this would require a change in state law.*

*g) Proceeds from the sale of city land - Mr. Marcoux noted that the overwhelming majority of lots sold by the city are sold for \$1, typically to non-profits to be used for housing. Ms. Dummer Combs noted that the City does sell some large tracts of land. Mr. Marcoux said that those lands are typically sold as part of the urban land bank program and usually sold at less than market value as an economic-development tool.*

*h) A portion of the City's Potawatomi Bingo Casino revenue - Mr. Kammholz said that the Potawatomi funds are currently going into the City general revenue. Ald. Murphy noted that any change would be a hard political sell. Mr. Ries noted that perhaps the Potawatomi might be interested in making a donation to the fund as part of its charitable contributions.*

*i) Increasing the hotel/motel tax - Ald. Murphy noted that the hotel/motel increase would be a tough political battle.*

*j) Establishing an income-tax credit for persons who make contributions to the Housing Trust Fund - this would require a change in state law and would be targeted more at corporations and high-wealth individuals. Mr. Ries will follow up on this with Mr. Gartner.*

*k) Using TIF revenues to fund affordable-housing projects outside the individual tax incremental districts - Mr. Gartner noted that state action would be need to pursue a change in TIF funds, as was done in Minnesota. This change would also require changes in funding with the other taxing bodies.*

*Ms. Cook will be invited to the next Finance Subcommittee meeting.*

*Sup. Dimitrijevic suggested a landlord licensing fee, with the possibility of this fee being reduced for those individuals who attend the city-offered landlord training course. Mr. Gartner noted that a fee must relate to the city's actual cost.*

*Mr. Kammholz noted that the Governor signed a Neighborhood Improvement District bill,*

*which might be a possible source of revenue. Mr. Marcoux said that this is essential a Business Improvement District, except for residences, and does have potential to generate revenue as long as the development is dense enough and appreciates enough to produce an increment, which is what would be used to generate the revenue. The Task Force could certainly discuss this and it might work to generate revenue.*

### **3. Report by the Chair of the Operational Criteria Subcommittee**

*Ms. Sanchez summarized the meeting held on March 16th.*

*Ald. Murphy asked about the possibility of an increased number of single-room occupancy units, based upon the Milwaukee Journal Sentinel series on the current state of housing of the mentally ill. The Subcommittee did not discuss this, but Ms. Sanchez feels that members would be supportive of this. Sup. Dimitrijevic noted that the funds might be available, but finding sites for placement is difficult. Mr. Ries also said that getting community support is more difficult than getting funding and that there are good groups out there, citing Chicago Lakefront Housing as an example. Ms. Murtaugh noted that the key is not solely providing a room, but services need to be provided on a 24-hour basis. Mr. Perez noted that a quality service package be created and the city investing in this, rather than addressing the needs of specific groups of individuals. Mr. Soika noted that, in a 2003 survey of nearly 800 homeless individuals, 50% of those individuals self-indicated that they felt a need for mental health services, and of that 50%, nearly 50% of them were chronic homeless, meaning that they were homeless for 3 or more times in their life or currently homeless for a 12-month period.*

*Ald. Murphy encouraged both subcommittees to begin working on ranking of realistic expectations and designating an agency to best administer these funds.*

### **4. Addition of members to the Financing Models or Operational Criteria subcommittees**

*Mr. Marcoux would like to be added to the Operational Criteria Subcommittee, with Ms. Una Van Duvall acting as his designee. Mr. Perez will ask that Ms. Bobbi Marsells be designated as his designee for this subcommittee. Ms. Dummer Combs would like to be added as a member of the Operational Criteria Subcommittee. Mr. Capp will also serve as a member of the Operational Criteria Subcommittee.*

### **5. Report re. the state and county trust funds**

*Ald. Murphy said the state declined to meet with him related to this issue. Sup. Dimitrijevic said that development is beginning in the Park East corridor. One million dollars of one of the sales will go into a housing trust fund. Sup. Dimitrijevic will send a copy of the text which created this fund. Ald. Murphy has a few concerns about setting up 2 housing trust funds which would serve the same community.*

### **6. Selection and role of a consultant**

*At this time, Ald. Murphy would prefer to not hire a consultant. There were no objections to this.*

### **7. Set next meeting date and agenda**

*Wednesday, May 10th at 9 a.m.*

*Meeting adjourned: 10:08 A.M.*

*Linda M. Elmer*

*Staff Assistant*